

(c) how much of total NPA of Nationalised Banks, the credit advanced by them to medium and large industries and business houses constitutes, bank-wise;

(d) the details of interest, tenure and other terms governing credit advanced to above sectors, vis-a-vis agriculture loans; and

(e) the measures taken to recover advances and reduce NPA of Nationalised Banks during the last three years and result thereof, year-wise and bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI

PAWAN KUMAR BANSAL): (a) to (e) The information is being collected and will be laid on the Table of the House to the extent available-

Introduction of goods and services tax

1425. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering to introduce Goods and Services Tax; and

(b) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) There is broad consensus that India should move towards a Goods and Services Tax (GST) based on VAT principle, which is the most modern and efficient system of indirect taxation adopted by a number of countries around the world. The Hon'ble Union Finance Minister had proposed in his Budget Speech for 2006-07 that 01.04.2010 may be set as the date for introducing GST. However, introduction of GST will involve integration of the Central and State Taxes on goods and services, which would require extensive consultations between the Centre and the States. A Constitutional amendment may also be necessary.

In India, the concept of VAT has been evolved at the Central level in the form of CENVAT At State level, introduction of State VAT by most of the

States and Union Territories has been a very significant step in the direction towards introduction of GST. Some States/UT are yet to implement State VAT. Efforts are going on to persuade them to implement State Vat at the earliest. Phasing out of Central Sales Tax (CST), which is a non-rebatable origin-based tax of cascading nature, is another prerequisite for introduction of GST. Consultations with States are presently in process to work out the modalities for phasing out of the CST. Other steps in the direction of introduction of GST will also be taken in due course of time.

Stabilisation of VAT system

†1426 SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that VAT system has now stabilised and indications are there that desired results would be achieved;

(b) whether it is also a fact that the States which have implemented VAT system have registered about 14 per cent growth in tax revenue in the year 2005-06 and up to date period of year 2006-07 in comparison to financial year 2004-05 which is more than the annual compound rate of Sales Tax revenue of such States;

(c) if so, the details thereof; and

(d) whether it is a fact that the remaining States which have not implemented VAT system so far have not indicated any exact time schedule for implementing the same in their respective States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM) (a) The experience with implementation of VAT has been very encouraging so far. The new system has been received well by all the stakeholders. The introduction of VAT has helped in putting in place a uniform and transparent system of taxation across the States. The fact that more and more States are joining VAT shows that the system is stabilising and succeeding,

(b) and (c) it is seen from provisional tax revenue data furnished by States/UTs that during 2005-06, the tax revenue of 25 VAT implementing States/UTs registered a growth rate of about 13.8% as compared to 2004-05, which was higher than the Compound Annual Growth Rate (CAGR)

†Original notice of the question was received in Hindi.